

The complaint

Mr and Mrs B's complaint is about the service they received from Home in One Financial Services Limited, when they were looking to re-mortgage their home. They believe that it caused significant delays and as a result they will face higher mortgage costs going forward.

What happened

Mr and Mrs B took out a mortgage in 2017 on the advice of Home in One. The mortgage had an interest rate product attached to it which was due to end in November 2022.

In March 2022 Mr and Mrs B contacted Home in One to look into the possibility of paying the early repayment charge on their existing interest rate product, in order to take advantage of the very low interest rates available at the time. They were also considering increasing their borrowing to complete some home improvements, and possibly remove the guarantor from the arrangement. They met with Home in One on 16 March 2022. They were given an illustration for a new mortgage and asked to provide documentation relating to their employment, incomes, outgoings, and their identification, which they did. Mr and Mrs B have also said the mortgage adviser was going to forward their details to a firm of solicitors regarding the release of the guarantor from the mortgage.

The mortgage illustration was for a new mortgage with a different lender. It was proposed for £175,999 over 35 years. The product they wanted was a fixed rate until 30 June 2032 at a rate of 2.34%.

Mr and Mrs B have told us they were happy with the illustrated mortgage and believed an application had been made. They emailed the mortgage adviser on 18 April 2022 for an update about the mortgage offer. They received an out of office saying he was on leave and telling them who to speak to if the matter was urgent. Mr and Mrs B have told us they didn't think receiving an update was urgent and didn't contact the named person.

Further emails were sent on 3 May and 25 May 2022, but no response was received. The 3 May 2022 email also mentioned that they hadn't heard from the solicitors the mortgage adviser had said he would refer their case to. Mr and Mrs B told the mortgage adviser in the later email that they no longer needed the additional lending that had been discussed. They asked if the mortgage offer they were waiting for would last until their interest rate product expired, and they would be able to avoid the early repayment charge. Mr and Mrs B have also said telephone messages were left for the mortgage adviser on 16 May and 17 June 2022, but they weren't called back. Home in One's call log shows that it attempted to return the first call, but wasn't answered. There were no further attempts to call Mr and Mrs B, even after the second message was left.

On 23 June 2022 Home in One contacted Mr and Mrs B to see if they would like a mortgage review, in light of their interest rate product ending in November 2022. They explained that such a review had already happened, and they believed an application had been made. Home in One met with Mr and Mrs B on 12 July 2022, when they recall it saying that would

fast track the process in light of the circumstances. However, it was not until a month later that Home in One met with Mr and Mrs B again. At this point Mr B was about to change jobs and needed to provide evidence of his employment and income. This was provided on 26 September 2022. In the meantime, on 21 September 2022, Mr and Mrs B were invited to another interview, on 15 October 2022. They were unhappy about this timescale and this unhappiness increased when Home in One called them on 5 October 2022 to delay the meeting by two weeks.

By this point Mr and Mrs B had been sufficiently worried about the situation they had asked their existing lender directly what it could do for them – it had offered them a 5.79% fixed rate product. They told Home in One when it called to rearrange the October appointment. They have told us Home in One called them back the following day and told them to accept the offer from their existing lender, as it couldn't match it. They did so, and then complained to Home in One.

Home in One responded to the complaint in an email dated 20 December 2022. It considered Mr and Mrs B would have known, from their previous dealings with it and the documentation that had been provided at the time, that no mortgage had been recommended or application submitted. In addition, in relation to their emails in April and May 2022 chasing their application, Home in One said that there was an out of office message on the mortgage adviser's email telling them who to contact in his absence, but they hadn't done so.

Home in One confirmed it had contacted Mr and Mrs B in June 2022 before their interest rate product was due to expire. It had arranged a meeting in July which was then delayed until 12 August 2022, but an application could not progress as Mr and Mrs B needed to make a decision about whether their guarantor would remain in place and they needed to provide evidence of employment and income. It was not until 26 September 2022 that Home in One had the responses needed. It went on to confirm Mr and Mrs B were informed on 6 October 2022 the best deal available to them was with their existing lender and Mr and Mrs B decided to take the relevant rate direct with their lender. Home in One didn't uphold the complaint, but as a gesture of goodwill, because the absence of its adviser had complicated their situation, it offered them £100.

Mr and Mrs B were not satisfied with Home in One's response and asked this Service to look at their complaint.

One of our Investigators considered the complaint and he recommended it be upheld. He considered significant delays were caused in the process by Home in One. However, as the mortgage advice process never advanced enough to determine if Home in One could find them a new mortgage or determine what might have been offered, it wasn't possible to identify if they'd suffered a financial loss. The Investigator recommended Home in One pay Mr and Mrs B £500 compensation for the upset and inconvenience they had suffered due to its mistakes.

Mr and Mrs B initially accepted the Investigator's recommendation, but later withdrew that acceptance. They set out the circumstances of their application again and confirmed what the further borrowing had been intended for. They asked if Home in One could pay an amount that would go some way to meeting the costs of the home improvements they were now unable to undertake. Mr and Mrs B subsequently detailed the financial difference the illustrated mortgage would have had for them and the consequences the higher costs had had on their lives and their family as a whole. As such, they considered they should receive over £26,000 in additional interest costs and a compensation payment of up to £5,000.

Home in One accepted the Investigator's findings.

As agreement couldn't be reached, it was decided the complaint should be referred to an Ombudsman.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I will initially confirm that while the formal paperwork that would be expected for a mortgage recommendation doesn't exist, I am satisfied that Home in One's mortgage adviser recommended a mortgage to Mr and Mrs B. Had he not done so, the mortgage illustration would not have been produced and given to them.

Mr and Mrs B have said they should be compensated for the difference in the interest they are going to pay over the term of their new product, and that which they would have paid had the March 2022 illustrated mortgage been applied for and accepted. I can understand why they want this, but I am not able, based on the evidence we have, to make such an award. In order to do so, I would need to be satisfied that if an application had been submitted, it is more likely than not that it would have been accepted.

I have examined the evidence and I am not persuaded that would have been the case. Initially, there is the issue that Mr and Mrs B may have decided to continue with a guarantor, as they later decided to do. I also note that when Mr and Mrs B told the adviser they no longer needed the additional borrowing in May 2022, they indicated they no longer wanted to pay an early repayment charge. It is highly unlikely that even had the application been made and accepted in March 2022, Mr and Mrs B would have been able to achieve this requirement with a product selected at that time. I say this as interest rate products will have a date range in which they are available and any mortgage they are attached to needs to complete before the end of the range. It is unlikely that a product available in March 2022 would have still been available as late as November 2022. So an alternative product would have needed to be selected. Furthermore, and very importantly, it is quite simply the case that until a mortgage application has been assessed by a lender, it isn't possible to know whether it will be accepted.

However, I can make an award for the upset and inconvenience they suffered because of the poor service they received from Home in One. Mr and Mrs B's mortgage process was delayed by several months because Home in One didn't contact them after the mortgage adviser they were dealing with went on a leave of absence, and then left its employment. It has said it only contacted customers that adviser was dealing with that had an active application in process. It also appears that it did not monitor the mortgage adviser's email account either, so that customers that were not at that stage could be identified. I can only conclude this was a significant failing on Home in One's part, as it had the potential to leave customers in limbo.

Home in One has said Mr and Mrs B would have received an out of office from the mortgage adviser telling them who to contact in response to each of their emails, but they didn't do so. Mr and Mrs B have provided the out of office they received. It told them that the adviser was absent until a specific date, around the time of their first chaser, and provided alternative contacts if the matter was urgent. Mr and Mrs B have said they didn't think the matter was urgent at that point, so they waited. They've said they didn't receive anything in response to their later emails. I accept that is the case, as once an email system has sent an out of office to a particular email address, it will not repeat that action. Mr and Mrs B would only have

received further out of office notifications if Home in One had reset the message, which it does not appear it did.

As Mr and Mrs B didn't get a response to their emails, they tried calling Home in One. It attempted to return the first of the calls and didn't get an answer. It doesn't appear to have tried to call again and then didn't try returning the second call or make any further attempts to contact Mr and Mrs B. I can only conclude that, knowing there might be customers of the adviser who had been at an early stage of the mortgage process, and would not have been picked up in the actions it had taken, Home in One's provisions were inadequate. That said, up to this point, Mr and Mrs B still believed the mortgage application was going ahead, and so it would only be poor service that they would need compensating for, rather than worry about not being able to obtain a mortgage or increasing costs.

Once Mr and Mrs B were contacted by Home in One on 23 June 2022, and the situation was explained to it, I would have expected it to have acknowledged its service failings and prioritised helping them. It doesn't appear that this happened. They simply had to wait until the next standard slot for appointments was available. The first being around a three week wait and the second a month after that. Home in One has said that it would have accommodated earlier appointments had Mr and Mrs B requested them. I don't consider that they should have needed to, given the poor service it had provided up to that point.

Mr and Mrs B have asked that the fact they have not been able to undertake the planned home improvements and will have to live in inadequate conditions, be taken into account. While such things can be considered, I note that they told Home in One in May 2022 they no longer needed the additional borrowing as they had sourced the money elsewhere. As such, it would not be appropriate to factor the lack of home improvements into my award of compensation.

I have noted Mr and Mrs B's submission that they think the award should fall into the category detailed on our website as £1,500 to £5,000. I can't agree that would be appropriate given the circumstances of this complaint. As I have said, it isn't known whether Mr and Mrs B would have been able to obtain the mortgage illustrated in March 2022 or any other thereafter. So I can't conclude that Home in One's poor service will have had the type of impact on them that would indicate such an award was appropriate. Having carefully considered this matter, I am in agreement with our Investigator that £500 is appropriate and proportionate in the circumstances.

My final decision

My final decision is that I uphold this complaint in part, and I order Home in One Financial Services Limited to pay Mr and Mrs B £500 compensation for the poor service it provided.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 23 February 2024.

Derry Baxter
Ombudsman